

## REPARATION PAYMENTS

*Arrangement agreed at Berlin December 8, 1926*

*Approved by the Reparation Commission January 14, 1927*

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Conference, XIII) 922

The German Government has the honour to affirm that the conversations which have now been concluded between the German Government and the Government of the United States of America for the purpose of realizing the  $2\frac{1}{4}$  percent share of the United States in payments under the Experts' Plan have resulted in mutual understanding on the following points:

(1) The German Government promises that it will do everything in its power in order that the Government of the United States will receive each year its  $2\frac{1}{4}$  percent share of the annuities under the Experts' Plan. For this purpose the German Government will, for the financing of the deliveries in kind and services to be made or rendered to the United States, prevail upon German firms to deposit each month out of the dollar credits arising from the said deliveries and services a sum in dollars the amount of which, as more explicitly stated in paragraph 3, shall be fixed at the beginning of each month. The deposit will be made through the agency of the Reichsbank to the credit of the Agent General for Reparation Payments with the Federal Bank in New York.

(2) The Government of the United States will make a continuing arrangement so that the Agent General for Reparation Payments will pay to the German firms the Reichsmark equivalent—immediately upon receipt of the cable report from the Federal Reserve Bank that the transfer has been made—in Berlin at the average Berlin rate for cable transfers on the day on which the dollars were transferred. The Government of the United States will furthermore take steps to the end that the Agent General for Reparation Payments will inform the Reich Finance Ministry not later than the first of each month of the sum to be paid by the German firms during that month.

(3) It is hereby agreed that the present procedure is not applicable to that part of the share of the Government of the United States in the annuities under the Experts' Plan <sup>1</sup> set aside to meet the claim for arrears of army costs or that part which is otherwise covered in any manner through cash transfers.

<sup>1</sup> See debt funding agreement of June 23, 1930, *post*, p. 213.

The total amount accruing to the United States according to this arrangement during the period from September first, 1926, to the coming into force of the present arrangement, will be distributed over the remainder of the year in equal instalments. In general the amounts are to be divided in approximately equal monthly parts.

(4) The present arrangement may be terminated by either of the two parties not earlier than June first, 1927, effective September 1, 1927, or in subsequent years annually on and for the same dates in the respective year.

(5) When the Government of the United States has informed the German Government that the Agent General has received the necessary authority to proceed in the sense of this understanding, both Governments will make the necessary arrangements for its execution.